GREAT OAKS CAREER CAMPUSES
FIVE-YEAR FORECAST
GENERAL ASSUMPTIONS

REVENUES

General Property Tax

- Residential Valuations and new construction have dramatically increased over the past year. Tax year 2021 had four of 12 Counties that Great Oaks touches in reappraisal or triennial update. The average increase due to triennial update or reappraisal is 22%, with the breakdown by counties are as follows: Brown 24%, Fayette 25%, Highland 19%, and Warren 20%. Great Oaks has reached the “2 mill floor” in tax year 2020 and will see increases in revenues in fiscal years 2022 and throughout the forecast.
- Commercial/industrial continues to be abated by local governments providing little growth in tax revenues.
- Commercial Agricultural Use Values (CAUV) assessed valuations decreased 24% in tax year 2021 due to House Bill 49, however; CAUV property reflects 61% of total agricultural property and the remaining 39% of agricultural assessed valuations are increasing similar to residential valuations.

Tangible Personal Property Tax

- The only remaining tax revenue in this classification is from Public Utility Personal Property (PUPP) which experienced some growth from investment in infrastructure by utility companies and the Rocky Express Pipeline in Fayette County. Valuations increased by 566.67% in tax year 2019 with the majority increase from Miami Trace and Southwest Local Schools representing over a 90% increase from these two districts alone due to pipeline expansions and substations. Revenues are expected to increase by over $210,000 annually.

Unrestricted Grants in Aid

- Beginning in fiscal year 2022 Ohio adopted the Fair School Funding Plan whereby funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The Base Cost is currently calculated for two years using a statewide average from historical actual data. The goal is to phase in the formula over a six-year period with each year increasing by 1/6.
- Restricted aid is the portion of state per pupil funding that must be classified as restricted use. Prior years this included Career Tech Weighted Funds, however; starting in fiscal year 2022 this will also include the state’s portion of wellness funding. In prior years, the wellness funding was reported outside of the forecast in fund 467.
- Casino Revenues are projected to increase in fiscal year 2022 to $698,693 and trended with a slight increase throughout the forecast.
- Total state revenue is projected to increase in fiscal year 2023 by 12.93% due to an increase of 132 additional students from new programming and an additional 1/6 being funded through the fair school funding plan.

Property Tax Allocation
The State of Ohio currently reimburses Great Oaks for the following:

- 10% Rollback for qualifying residence
- 2.5% Homestead Exemption for qualifying residence
- Senior Homestead Exemption for qualifying residence
- Rollback and Homestead are held flat throughout the forecast.

Other Revenues

- This revenue stream includes interest earnings, Payments In Lieu Of Taxes (PILOT) for Tax Incentive Financing (TIF) programs/projects and immaterial miscellaneous.
- Estimates for investment earnings are revised downwards in fiscal year 2022 by $430,000 due to the depletion of the bond proceeds account and the downward trend in interest rates.
- Payments in Lieu of Taxes (PILOT) for Tax Incentive Financing (TIF) is projected to increase 3.5% and are estimated to exceed $2 million.

EXPENDITURES

Personal Services

- Compensation projections are based on historical trend data and include incremental steps, staff turnover and severance. Fiscal year 2022 projects an overall 4.1% increase with the reduction of six positions being funded from the general fund. Approximately 3.5 percent overall increases are forecasted with 1.5% for the teaching staff on the base and an additional 2% increase for employees obtaining objectives included in the Strategic Compensation Model. Fiscal year 2023 has been adjusted to increase by 6.4% due to additional programming being considered. The forecast includes a 3.0% increase for all other staff and forecasted in fiscal year 2022 and a total increase projected of 3.5% throughout the forecast.

Employees' Retirement/Insurance Benefits

- Some benefits change as a percent of salaries, resulting in a 0.85% overall increase. The benefits consist of retirement contributions, premiums for insurances, Medicare, and Workers' Compensation.
- Only full-time District Associates qualify to participate in the health insurance plan and all Associates pay 24% of the premiums to participate.
- While medical insurance costs continue to present challenges, the district experienced a 9% increase in premiums for calendar year 2022. The forecast anticipates approximately 8% increases going forward and though the increases are projected evenly, they do not occur uniformly and are not able to be projected as they may occur. The long-term results should provide for materially accurate trending.

Purchased Services

- This line item represents utilities, fuel, telecommunications, and contracted services. Changes affecting the trend in this line item include decisions to increase costs, as well as increases from reclassification of expenditures for technology once accounted for in the Capital Projects Fund. Fiscal year 2022 have increased 6.1% due to restoring travel expenses and other items since to 2019 levels after COVID 19 reduced costs with travel and transportation. Fiscal year 2023 has increased due to inflation running above 7% and the additional programming being considered during the fiscal year. An average annual increase of 2% for budgetary trend is projected in fiscal years 2024 through 2026. Budgetary numbers for utilities are projected to be a worst-case scenario in anticipation of weather-related expenses. Recent technological monitoring and manipulation of climate control systems along with LED projects have and will provide significant, measurable, and long-term savings.

Supplies and Materials

- This line item represents more end users than all other accounts combined and as such is projected to decrease 8% in fiscal year 2022 due to GEERS funds being spent rather than general funds, and then trended higher to accommodate potential needs verses actual expenditures. Fiscal year 2023 is projected to increase by an inflationary 7% and an overall increase of 20% with additional programming being considered. Starting in fiscal year 2024, inflationary costs of 2% are being projected through 2026.

Capital Outlay

- The district is projecting capital outlay to be reduced by 43% in fiscal year 2022 due to using permanent improvement funds to purchase capital outlay and increased at an inflationary 2% amount throughout the forecast. All other facility and equipment expenditures are purchased out of the Capital Projects Fund with moneys transferred from the General Fund as authorized by the Board. These expenditures are prioritized and planned relevant to the direct educational and operational needs of the district.

Debt Service

- Fiscal years 2022 through 2026 reflect the annual debt service payments for the Laurel Oaks 2019 issue and the Live Oaks 2021 issue, totaling from $4.1 million in fiscal years 2022 to fiscal years 2026.

Other Objects

- Projections for this line item are consistent with historical trend data for audit, county-auditor collection fees and other relevant services.

Operating Transfers-Out

- Transfers for Permanent Improvements, debt service, and for other needs are determined based upon priority and availability of funds. Periodically as needs arise, adjustments/transfers are made to the appropriate General Fund line items from which expenditures are made.